

POSTAL SERVICE

39 CFR Part 111

Domestic Competitive Products Pricing and Mailing Standards

AGENCY: Postal Service[™].

ACTION: Final rule.

SUMMARY: The Postal Service is amending *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®), to reflect changes to prices and mailing standards for competitive products.

DATES: Effective January 22, 2023.

FOR FURTHER INFORMATION CONTACT: Karen F. Key at (202) 268-7492, Margaret Pepe (202) 268-3078, or Garry Rodriguez at (202) 268-7281.

SUPPLEMENTARY INFORMATION: This final rule describes new prices and product features for competitive products, by class of mail, established by the Governors of the United States Postal Service®. New prices are available under Docket Number CP2023-42 on the Postal Regulatory Commission PRC website at http://www.prc.gov, and on the Postal Explorer® website at http://pe.usps.com.

The Postal Service will revise *Mailing Standards of the United States*Postal Service, Domestic Mail Manual (DMM), to reflect changes to prices and mailing standards for the following competitive products:

- Priority Mail Express[®].
- Priority Mail[®].
- First-Class Package Service[®].
- Parcel Select[®].
- USPS Retail Ground[®].
- Extra Services.

- Return Services.
- Mailer Services.
- Recipient Services.
- Other.

Competitive product prices and changes are identified by product as follows:

Priority Mail Express

Prices

Overall, Priority Mail Express prices will increase 6.6 percent. Priority Mail Express will continue to offer zoned and Flat Rate, Retail and Commercial pricing.

Retail prices will increase an average of 6.7 percent. The Flat Rate Envelope price will increase to \$28.75, the Legal Flat Rate Envelope will increase to \$28.95, and the Padded Flat Rate Envelope will increase to \$29.45.

Commercial prices will increase an average of 6.0 percent.

Priority Mail Express Commercial Base and Plus Pricing Consolidated

The Postal Service is consolidating Priority Mail Express "Commercial Base" and "Commercial Plus" into one "Commercial" price category.

Consolidating the "Commercial Base" and "Commercial Plus" price categories will simplify the Priority Mail Express pricing structure. The eligibility standards for Priority Mail Express Commercial will mirror the current "Commercial Base" price category.

Priority Mail

Prices

Overall, Priority Mail prices will increase 5.5 percent. Priority Mail will continue to offer zoned and Flat Rate, Retail and Commercial pricing.

Retail prices will increase an average of 6.8 percent. The Flat Rate Envelope price will increase to \$9.65, the Legal Flat Rate Envelope will increase to \$9.95, and the Padded Flat Rate Envelope will increase to \$10.40. The Small Flat Rate Box price will increase to \$10.20, and the Medium Flat Rate Boxes will increase to \$17.10. The Large Flat Rate Box will increase to \$22.80 and the APO/FPO/DPO Large Flat Rate Box will increase to \$21.20.

Commercial prices will increase an average of 3.6 percent.

Priority Mail Commercial Base and Plus Pricing Consolidated

The Postal Service is consolidating the Priority Mail "Commercial Base" and "Commercial Plus" price categories into one "Commercial price category. Consolidating the "Commercial Base" and "Commercial Plus" price categories will simplify the Priority Mail pricing structure. The eligibility standards for Priority Mail Commercial will mirror the current "Commercial Base" price category. *Priority Mail Regional Rate Boxes Discontinued*

The Postal Service is discontinuing the Priority Mail Regional Rate product offering. The decision to discontinue Regional Rate Boxes will simplify the Priority Mail offering.

First-Class Package Service

Prices

Overall, First-Class Package Service prices will increase 7.8 percent.

First-Class Package Service - Retail prices will increase 6.9 percent.

First-Class Package Service - Commercial prices will increase 8.0

percent.

Parcel Select

Prices

The prices for Parcel Select Destination Entry will increase an average of 5.1 percent. Parcel Select Ground will have a 0.0 percent price change, but prices will be updated in zones 1 and 2. The prices for Parcel Select Lightweight® will increase an average of 6.1 percent. The prices for USPS Connect® Local will remain the same.

USPS Retail Ground

Overall, USPS Retail Ground prices will increase an average of 6.4 percent.

Extra Services

Adult Signature Service

Adult Signature Required and Adult Signature Restricted Delivery service prices are increasing 6.5 and 6.8 percent respectively. The price for Adult Signature Required will increase to \$9.05 and Adult Signature Restricted Delivery will increase to \$9.35.

Return Services

Parcel Return Service

The Postal Service is revising the standards for Parcel Return Service (PRS) to be a competitive product only available through a Negotiated Service Agreement (NSA). As a nonpublished offering, the standards will be removed from the DMM and the prices will be removed from the Price List, Notice 123. USPS Returns

The Postal Service is discontinuing the Certificate of Mailing and Signature Confirmation extra service options for USPS Returns products.

In an effort to provide product simplification, the Postal Service believes it is in the best interest to no longer offer Certificate of Mailing or Signature Confirmation services for USPS Returns products.

Mailer Services

Pickup on Demand Service

The Pickup on Demand® service fee will increase 6.0 percent to \$26.50.

USPS Tracking Plus Service

The USPS Premium Tracking Service[™] prices will remain the same.

USPS Label Delivery Service

The Postal Service is implementing USPS Label Delivery Service™ to provide customers with an option to have their domestic outbound and return mailing labels printed and delivered for a fee per label at a Post Office where available. USPS Label Delivery Service is not available for APO/FPO/DPO addresses. Customers requesting USPS Label Delivery Service will be provided the tracking information for tracking purposes. A customer may request USPS Label Delivery Service at www.usps.com.

USPS Label Delivery Service is available for Retail and Commercial
Priority Mail Express and Priority Mail, First-Class Package Service- Retail, First
Class Package Service - Commercial, USPS Retail Ground, Parcel Select
Ground, Priority Mail Return service, and First-Class Package Return service.

There are no extra services available with labels requested through USPS Label Delivery Service.

For USPS Label Delivery Service, the Postal Service will refund the postage and USPS Label Delivery Service fee if the label is not delivered. The Postal Service will refund the postage only if the label is delivered and not used.

Recipient Services

Post Office Box Service

The competitive Post Office Box[™] service prices will increase an average of 6.5 percent within the updated price ranges.

Premium Forwarding Service

Premium Forwarding Service® (PFS®) prices will increase between 6.5 and 6.6 percent depending on the specific price element. The enrollment fee paid at the retail counter for PFS-Residential will increase to \$25.45 and the PFS-Residential, PFS-Commercial, and PFS-Local enrollment fee paid online will increase to \$23.40 per application. The price of the weekly shipment charge for PFS-Residential and per container charge for PFS-Local will increase to \$25.45. USPS Package Intercept

The USPS Package Intercept® fee will increase 6.6 percent to \$17.00.

Other

Address Enhancement Service

Address Enhancement Service competitive product prices will remain the same.

Small Parcel Forwarding Fee

The small parcel forwarding fee will remain the same at \$5.25.

Zone Modification

The Postal Service is modifying zone price categories for all applicable Competitive products. This zone modification will redefine the local zone and remove it as a zone price category. The Postal Service will also split zones 1 and 2 into separate price categories. This will result in nine individual zone price categories.

Additionally, the Postal Service is clarifying that the zone 1 price applies to pieces mailed within the same 3 Digit O/D Pairs and pieces mailed with different 3 Digit O/D Pairs whose centroids are up to 50 miles in distance.

Resources

The Postal Service provides additional resources to assist customers with this price change for competitive products. These tools include price lists, downloadable price files, and *Federal Register* Notices, which may be found on the Postal Explorer® Web site at *http://pe.usps.com*.

We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR part 111 is amended as follows:

PART 111 - [AMENDED]

- 1. The authority citation for 39 CFR part 111 continues to read as follows: **Authority:** 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401- 404, 414, 416, 3001-3018, 3201-3220, 3401-3406, 3621, 3622, 3626, 3629, 3631- 3633, 3641, 3681-3685, and 5001.
 - 2. Revise Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM) as follows:

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)

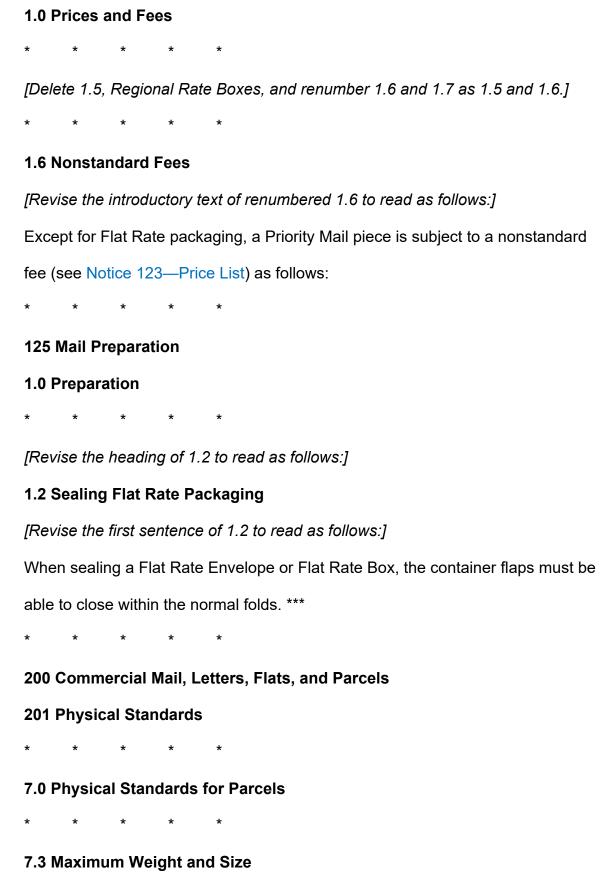
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100 Retail Mail Letters, Flats, and Parcels

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120 Retail Mail Priority Mail

123 Prices and Eligibility



[Revise the second sentence of 7.3 to read as follows:]

*** Lower weight limits apply to parcels mailed at Priority Mail Cubic, First-Class Package Service — Commercial, USPS Marketing Mail, and Bound Printed Matter prices. *** 8.0 Additional Physical Standards by Class of Mail 8.2 Priority Mail [Revise the first sentence of 8.2 to read as follows:] The maximum weight is 70 pounds, except for cubic (20 pounds) parcels. *** 202 Elements on the Face of a Mailpiece 3.0 Placement and Content of Mail Markings 3.3 Priority Mail Express and Priority Mail Markings 3.3.3 Additional Markings for Priority Mail Express and Priority Mail [Revise the text of 3.3.3 to read as follows:]

In addition to the basic price marking in 3.3.1 and 3.3.2, except for pieces paid using a USPS Returns service or permit imprint, Priority Mail Express and Priority Mail pieces claimed at Commercial prices also must bear the "Commercial" price marking, printed on the piece or produced as part of the meter imprint or PC Postage indicia. Place the "Commercial" price marking directly above, directly below, or to the left of the postage.

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3.4 Priority Mail Cubic Markings

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3.4.2 Price Marking—Permit Imprint

[Revise the first sentence of 3.4.2 to read as follows:]

Priority Mail permit imprint pieces claiming the cubic price must be marked "Priority Mail" and bear the "cubic" marking (see 3.4.3 for soft pack and padded envelopes), printed on the piece or produced as part of the permit imprint indicia.

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204 Barcode Standards

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2.0 Standards for Package and Extra Service Barcodes

2.1 Intelligent Mail Package Barcode

2.1.1 Definition

[Revise the last sentence of 2.1.1 to read as follows:]

*** A ZIP + 4 is required to be encoded into the barcode for all returns products.

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2.2 Other Package Barcodes

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2.2.11 Service Banner Text

[Revise the text of 2.2.11 to read as follows:]

Except with Certified Mail, Registered Mail, Adult Signature, and Priority Mail

Express or Priority Mail Open and Distribute services, mailers preparing extra

service barcodes under 2.2 must use a "USPS TRACKING #" human-readable

service banner text above the barcode on packages not requiring a signature at

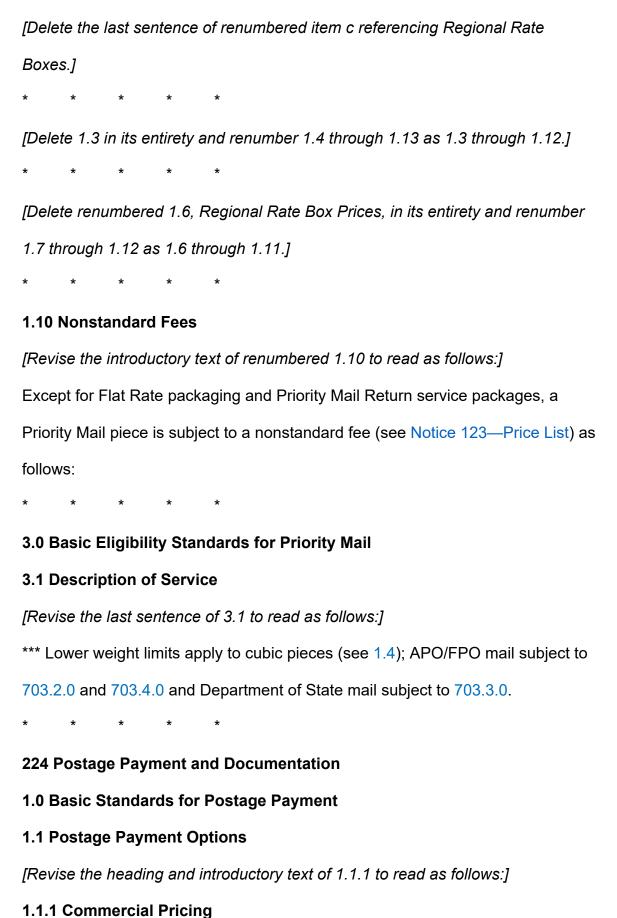
delivery, or a "USPS SIGNATURE TRACKING #" service banner text above the

barcode on packages where a signature is required at delivery.

210 Commercial Mail Priority Mail Express 213 Prices and Eligibility 1.0 Prices and Fees [Revise the heading and introductory text of 1.3 to read as follows:] 1.3 Commercial Prices Priority Mail Express commercial prices are less than Priority Mail Express retail prices (see Notice 123—Price List). These prices are available to: [Delete 1.4, Commercial Plus Prices, in its entirety and renumber 1.5 through 1.10 as 1.4 through 1.9.] 214 Postage Payment and Documentation 1.0 Basic Standards for Postage Payment Options [Renumber 1.1 and 1.2 as 1.2 and 1.3. Revise 1.0 by renumbering the current text as 1.1 to read as follows:] 1.1 General Federal agency and USPS official Priority Mail Express may use the appropriate indicia, subject to 703.7.0. The mailer is responsible for proper payment of postage. [Revise the heading and introductory text of renumbered 1.2 to read as follows:] 1.2 Commercial Pricing Commercial Priority Mail Express postage may be paid with:

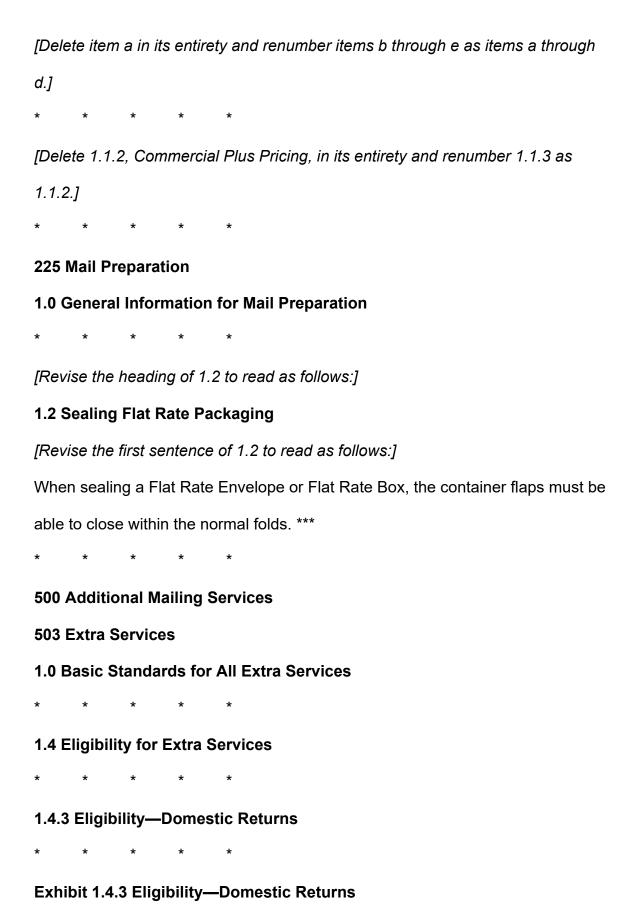
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[Delete renumbered 1.3, Commercial Plus Pricing, in its entirety.] 220 Commercial Mail Priority Mail 223 Prices and Eligibility 1.0 Prices and Fees 1.1 Price Application The following price applications apply: [Revise the first sentence of item a to read as follows:] a. Except for cubic items (see 1.1c), customers mailing Priority Mail mailpieces are charged per pound of the mailpiece; any fraction of a pound is rounded up to the next whole pound. *** [Delete item c in its entirety and renumber items d through g as items c through f.] [Delete renumbered item d in its entirety and renumber items e and f as items d and e.] [Revise renumbered item d to read as follows:] d. Priority Mail Open and Distribute tray boxes mailed at commercial prices are not based on weight but are charged based on the tray box and zone to which it is sent. [Revise the heading and introductory text of 1.2 to read as follows:] 1.2 Commercial Prices For prices, see Notice 123—Price List. Commercial prices are available for: [Delete item a and renumber items b through f as items a through e.]



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Priority Mail commercial postage may be paid with:



[Delete the "Signature Confirmation" option from both the "Paid by EPS Account or by Permit Holder" and the "Paid by Sender" sections of the table. Delete the "Certificate of Mailing" option from the "Paid by Sender" section of the table.]

[Delete the "Parcel Return Service" line item from Exhibit 1.4.3.]

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503 Extra Services

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4.0 Insured Mail

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4.2 Insurance Coverage — Priority Mail

Priority Mail pieces, including Priority Mail Return service, are insured against loss, damage, or missing contents, up to a maximum of \$100.00, subject to the following:

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[Revise the text of item b to read as follows:]

b. Insurance coverage is provided against loss, damage, or missing contents and limited to a maximum liability of \$50.00 when the Priority Mail pieces bear an IMpb or USPS retail tracking barcode, and the mailer pays retail or commercial prices.

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4.3 Basic Standards

4.3.1 Description

*** The following additional standards apply to insured mail:

[Revise the third sentence of item a to read as follows:]

a. *** For customer-generated integrated barcodes used for USPS Returns service, the returns account holder must provide USPS with electronic data in

	Tracking	ı numl	per of th	ne insured return package, total postage paid, insurance
	fee paid,	, decla	ared val	ue, mailing date, origin ZIP Code, and delivery ZIP
	Code, al	ong w	ith the	recipient's name and address information. ***
*	*	*	*	*
50	5 Return	Servi	ices	
*	*	*	*	*
3.0	USPS R	Return	s Serv	ice
3.1	l Basic S	tanda	ırds	
*	*	*	*	*
3.1	I.3 Posta	ge an	d Price	es es
Po	stage and	d price	es are s	ubject to the following:
*	*	*	*	*
	b. Prices	for P	riority N	nail Return Service, First-Class Package Return Service
	and Gro	und R	eturn S	ervice (Parcel Select Ground) packages are charged as
	follows:			
[R	evise the	text o	f item b	1 to read as follows:]
	1. Pri	iority N	Mail cor	mmercial prices are available for account holders using
	Priori	ity Ma	il Retur	n Service, when all applicable requirements are met.
[D	elete item	ı b2 aı	nd renu	mber items b3 and b4 as items b2 andb3.]
*	*	*	*	*
	c. The a	ccoun	t holder	or mailer may obtain extra and additional services as
	follows:			
*	*	*	*	*
[D	elete item	ıs c2 a	and c3 i	n their entirety and renumber item c4 as item c2.]
		d.		

a shipping services file, version 1.6 or higher, that identifies the USPS

3.1.4 Labels

Distribution and preparation of labels are subject to the following:

a. *Distribution of Labels*. USPS Returns service labels may be distributed to customers via the following:

[Add new item a6 to read as follows:]

6. Through USPS Label Delivery Service under 507.12.0.

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3.2 Additional Standards

Additional mailing standards applicable to each service option are as follows: [Revise the last sentence of item a to read as follows:]

a. *** Commercial prices are the same as for outbound Priority Mail in Notice123—Price List.

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4.0 Parcel Return Service

[Delete the text under 4.0 in its entirety (4.1 through 4.3) and add new text under 4.0 to read as follows:]

Parcel Return Service (PRS) applies to parcels that are picked up in bulk by authorized permit holders or their agents. Parcel Return Service is only available through a Negotiated Service Agreement (NSA) (709.1.0). Please contact a USPS Sales Representative for additional details.

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507 Mailer Services

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5.0 Package Intercept

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5.2 Postage and Fees

[Revise the third sentence in the introductory text of 5.2 to read as follows:]

*** The new Priority Mail piece is charged Priority Mail commercial prices from
the location where intercepted to the new destination based on the dimensions,
weight, and zone of the piece or the flat rate price, if applicable, along with any
applicable extra services fees. ***

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7.0 Pickup on Demand Service

7.1 Postage and Fees

7.1.1 Postage

[Revise the text of 7.1.1 to read as follows:]

The correct amount of postage must be affixed to each piece except for a Priority Mail Express label paid with a corporate account, packages with a USPS Returns label affixed (under 505.3.0), and manifest mailings paid by permit imprint indicia approved by Business Mailer Support (BMS).

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7.2 Basic Standards

7.2.1 Availability

*** Incidental amounts of other postage-affixed, full-price mail also may be collected when Pickup on Demand service is provided for:

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[Delete item i, Parcel Return Service, and renumber items j through n as items i through m.]

* * * * *

[Add new 12.0 to read as follows:]

12.0 USPS Label Delivery Service

12.1 Description

USPS Label Delivery Service provides customers with an option to have the Postal Service print and deliver their domestic outbound and return mailing labels for a fee per label at a Post Office where available. USPS Label Delivery Service is not available for APO/FPO/DPO addresses. Customers requesting USPS Label Delivery Service will be provided the tracking information for tracking purposes.

12.2 Eligibility

USPS Label Delivery Service is available as follows:

- a. Retail and Commercial Priority Mail Express and Priority Mail.
- b. First-Class Package Service- Retail.
- c. First Class Package Service Commercial.
- d. USPS Retail Ground.
- e. Parcel Select Ground.
- f. USPS Returns Service.

12.3 Extra Services

There are no extra services available with labels requested through USPS Label Delivery Service.

12.4 Requesting USPS Label Delivery Service

A customer may request USPS Label Delivery Service at www.usps.com.

12.5 Fee

The USPS Label Delivery Service fee is listed in Notice 123—Price List.

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600 Basic Standards for All Mailing Services

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602 Addressing

1.0 Elements of Addressing

1.5.3 Required Use of Return Addresses The sender's domestic return address must appear legibly on: [Revise the text of item q to read as follows:] q. USPS Returns service. **604 Postage Payment Methods and Refunds** 9.0 Exchanges and Refunds 9.2 Postage and Fee Refunds 9.2.3 Full Refund A full refund (100 percent) may be made when: [Add new item "o" to read as follows:] o. For USPS Label Delivery Service the Postal Service will refund the postage and USPS Label Delivery Service fee when the label was not delivered. The Postal Service will refund the postage only if the label is delivered and not used. 608 Postal Information and Resources 608 Postal Information and Resources

7.0 Trademarks and Copyrights of the USPS

7.1 USPS Trademarks

*** Information on USPS trademarks can be found on USPS.com or by contacting General Counsel, USPS Headquarters (see 8.1 for address).

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[Delete "Commercial Base" and Commercial Plus" from the list of trademarks under 7.1.]

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9.0 Postal Zones

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9.2 Application

Zones are used to compute postage on zoned mail sent between 3-digit ZIP Code areas, including Military Post Offices (MPOs), as follows:

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[Revise the text of item c to read as follows:]

c. The postage price for zoned mail mailed at or addressed to an MPO and transported directly to or from MPOs at Department of Defense expense, without transiting any of the 48 contiguous states (including the District of Columbia), is the applicable zone 1 price. If such mail transits any area served by the USPS at USPS expense and the distance from the place of mailing to the embarkation point or from the debarkation point to the place of delivery is more than zone 1 for such mail, postage is assessed by the distance from the place of mailing to the embarkation point or from the debarkation point or from the

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[Revise the headings of 9.4 and 9.4.1 to read as follows:]

9.4 Definition

9.4.1 Local

Local applies to USPS Connect Local and USPS Connect Local Mail pieces deposited at any Post Office for delivery to addresses within the delivery area of that Post Office. For various types of Post Offices, local applies to all mail that both originates and destinates within:

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[Revise the heading and introductory text of 9.4.2 to read as follows:]

9.4.2 **Zones**

Zones are defined as follows:

[Revise the text of item a to read as follows:]

a. The zone 1 price applies to pieces mailed within the same 3 Digit O/D Pairs. The zone 1 price also includes pieces mailed with different 3 Digit O/D Pairs, whose centroids are up to 50 miles in distance.

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10.0 Forms of Identification

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10.2 Products and Services Requiring Acceptable Identification

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Exhibit 10.2 Products and Services Requiring Acceptable Identification

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[Revise Exhibit 10.2 by deleting the "Parcel Return Service" line item.]

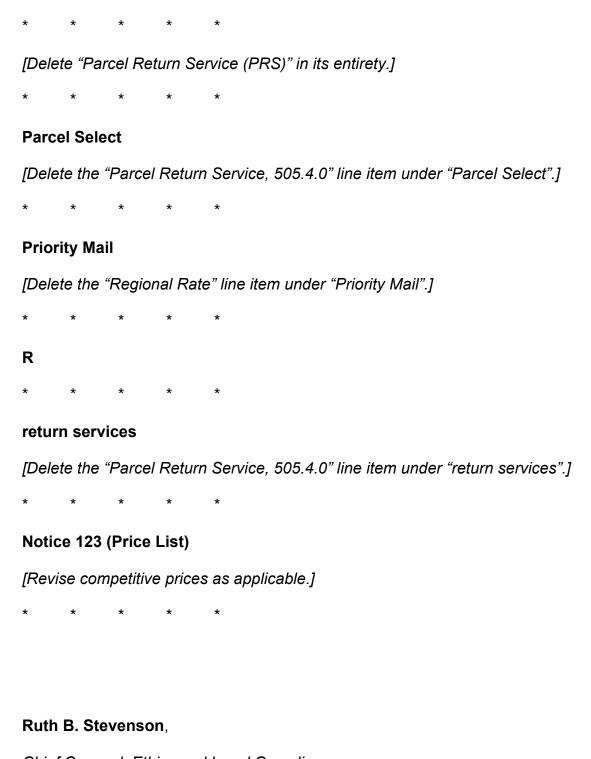
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10.3 Acceptable Primary Forms of Photo Identification

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Exhibit 10.3 Acceptable Primary Forms of Photo Identification per Product								
and Service								
*	*	*	*	*				
[Revise Exhibit 10.3 by deleting the "Parcel Return Service" line item.]								
*	*	*	*	*				
700 Special Standards								
*	*	*	*	*				
705 Advanced Preparation and Special Postage Payment Systems								
*	*	*	*	*				
18.0 Priority Mail Express Open and Distribute and Priority Mail Open and								
Distr	ibute							
18.1 Prices and Fees								
18.1.	1 Basis	of Pri	ce					
The basis of price for Priority Mail Express and Priority Mail Open and Distribute								
is as follows:								
*	*	*	*	*				
[Revise the text of item b to read as follows:]								
b. Priority Mail commercial tray box postage is based on the tray box and								
zone. The maximum weight for each container is 70 pounds.								
*	*	*	*	*				
Index	<							
*	*	*	*	*				
L								
[Add	Label [Delivery	Servic	e, 507.12.0. alphabetically under "L".]				
*	*	*	*	*				

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Chief Counsel, Ethics and Legal Compliance.

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